Other Contract Provisions

The insurance covers all insurable cotton acreage in the county in which you have an interest in the crop at the time of planting.

If your cotton crop is destroyed while there is still time to replant you are expected to replant. If this acreage is not replanted, it will not be insured.

Insured acreage destroyed or substantially destroyed may be released by the Corporation for other use, BUT no acreage may be put to another use until a release in writing is obtained from the Corporation.

An assignment against the insurance contract may be made as collateral for a loan.

> Partial protection may be obtained at half the cost of full protection and any losses computed are reduced by half.

What You Do

File an application before the closing date.

Make a report when requested of planted cotton acreage and interest in the crop at the time of planting.

Plant, care for, and harvest the crop in accordance with good farming practices.

Report immediately to the county office any damage to the crop if you feel a loss under the insurance contract may result. Any loss under the contract *must be reported* within 15 days after harvest.

Pay your premium promptly. It comes due about harvesttime, but you can pay it earlier.

DON'T INSURE TO COLLECT
INSURE TO PROTECT

☆GPO : 1948 O - 772789

Federal Crop Insurance on COTTON

(Yield Insurance)

The Federal Crop Insurance Corporation offers in designated counties insurance against loss in yield of lint cotton due to unavoidable causes such as:

Drought	Rain
Insect infestation	Plant diseases
Hail	Wind
Frost	Flood

It *does not* insure against losses from avoidable causes, such as neglect, poor farming practices, or failure to poison for insects where practicable.

A Federal crop insurance premium buys protection of the investment in the crop against the major production risks, from planting through harvest.

It adds only a little to operating costs to insure against the production hazards which man cannot control. Crop insurance premiums are deductible as operating costs for income-tax purposes.

U. S. DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
PA-37, Issued December 1947

Cotton Crop Insurance

Under present legislation cotton producers in only 56 counties have the opportunity to take Federal crop insurance protection.

Not all producers in a county can obtain this protection. Only cotton on land for which the Federal Crop Insurance Corporation establishes coverages and rates can be insured.

Crop insurance premiums are used *only* to pay losses to insured producers. Administrative costs are appropriated by Congress. Premiums collected in excess of losses paid can be used only to accumulate a reserve for use in years when losses exceed premiums. The accumulation of adequate reserves will make possible reductions in premium rates.

Losses paid to farmers under the program are, of course, the major factor in determining proper changes in premium rates. Consequently, it is in the best interest of the majority of producers for only good risks to be insured under the program. For the same reason, it is in the interests of the majority of producers for loss adjustments to be made fairly and properly. Lax adjustments or insuring bad risks would be improper use of farmers' premiums.

Crop insurance is a farmers' program—with each insured paying a small amount for protection against unavoidable production risks that none among them may suffer a complete loss.

Full information on the *coverage per acre* for your farm in each stage of production, the *premium rate per acre*, and whether your acreage is one or more *insurance units* is available through the county office.

Coverage Per Acre

A coverage and premium rate per acre is established by the Federal Crop Insurance Corporation for all insurable acreage in the county. Coverages and premium rates are expressed in pounds of cotton per acre.

The coverage per acre increases by stages as the crop grows because more costs have been incurred in producing the crop. There are four stages:

First Stage—After it is too late to replant cotton but before the first cultivation.

Second Stage—After first cultivation but before laying by.

Third Stage—After laying by but before harvesting.

Fourth Stage—After harvesting and to the end of the insurance period.

Fixed Price

Both premiums and indemnities are computed at the same fixed price which will be 90 percent of the average market price for cotton during July.

Determining Losses

A loss is determined by subtracting from the total amount of insurance for the insurance unit the insured's share of (1) any cotton harvest on the unit, (2) any appraised production on acreage released after the first stage, (3) any cotton left in the field, and (4) any cotton lost from causes not insured against. Prompt reporting of losses is essential to proper loss adjustments and is, of course, required under the contract.

Continuous Contract

The contract on cotton-yield insurance is a continuous contract, with the producer having the privilege to cancel it on or before December 31 preceding the crop year in which the cancellation becomes effective.